

SUTTER COUNTY ECONOMIC FORECAST

The Sutter County economy is growing rapidly. In 2017 it generated 1,000 new jobs, representing a growth rate of 3.2 percent. By contrast, the statewide economy created jobs at a rate of 2.0 percent. The best performing industries in Sutter County were retail, healthcare, and government.

The Sutter County economy is highly concentrated in a few primary industries. One of its largest sectors is agriculture, which employs 4,700 workers. Like other parts of California, drought conditions have led to fallowed land in Sutter County, and lower global commodity prices have resulted in less income for local farms. Crop values peaked at \$775 million in 2014, and declined to \$500 million in 2017. But despite these setbacks, the county now employs more farm workers than any point in the last decade.

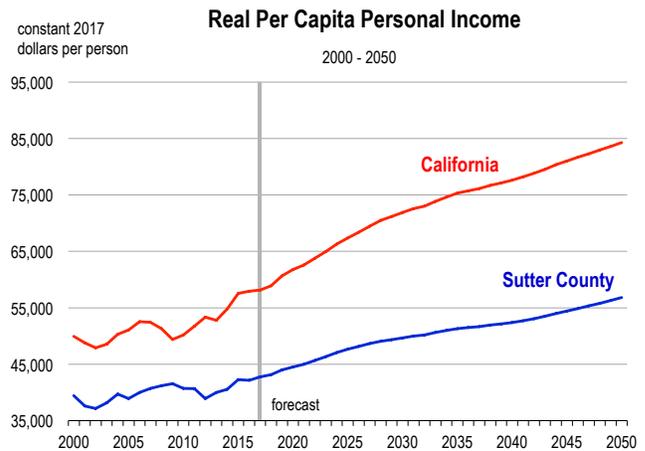
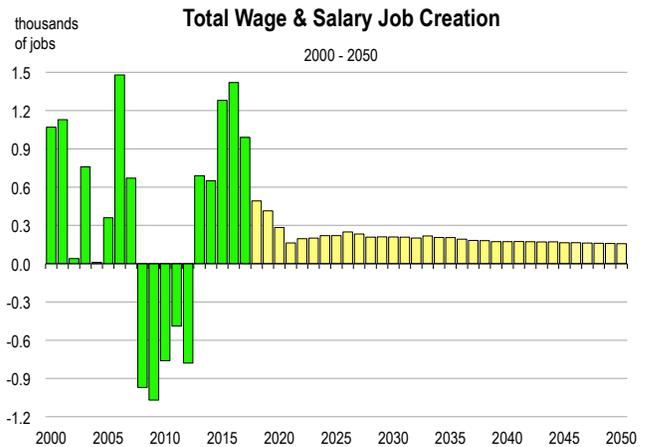
The Sutter County economy is also heavily reliant on the government sector. Government agencies employ almost 5,100 workers, mostly at public schools. Other large sectors are retail and healthcare, which each employ 4,000 to 5,000 workers.

The unemployment rate improved substantially last year, falling from 9.8 percent in 2016 to 8.7 percent in 2017. But it is still much higher than most parts of California. This is largely due to the county's prominent share of seasonal workers (primarily in agriculture), who are often unemployed for several months each year. Because of this dynamic, the Sutter County unemployment rate is already approaching its lowest sustainable level. By 2019 or 2020, it should reach its lowest sustainable level, at which point it will struggle to improve further.

From 2012 to 2017, the Sutter County population grew at an average rate of 0.6 percent per year. This growth was similar to the statewide average, and was driven largely by the natural increase (new births). Net migration was virtually flat, with equal numbers of people moving into the county as those moving out, but births outnumbered deaths by approximately 550 each year.

FORECAST HIGHLIGHTS

- Job growth of 1.5 percent is expected in 2018. Between 2018 and 2023, the annual growth rate will average 0.8 percent.
- Between 2018 and 2023, job creation will be concentrated in retail trade, education and healthcare, and government. Combined, these industries will account for 74 percent of net job creation through 2023.

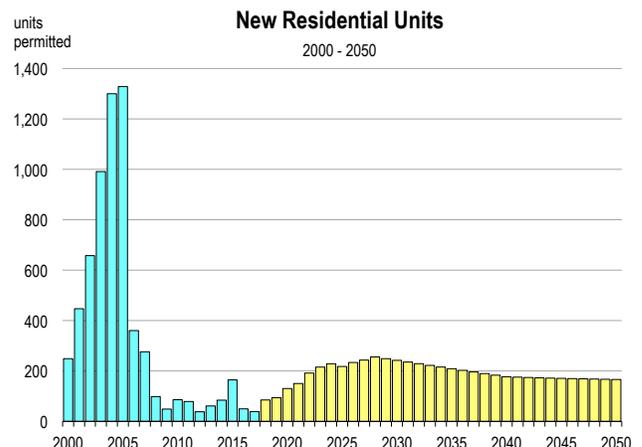
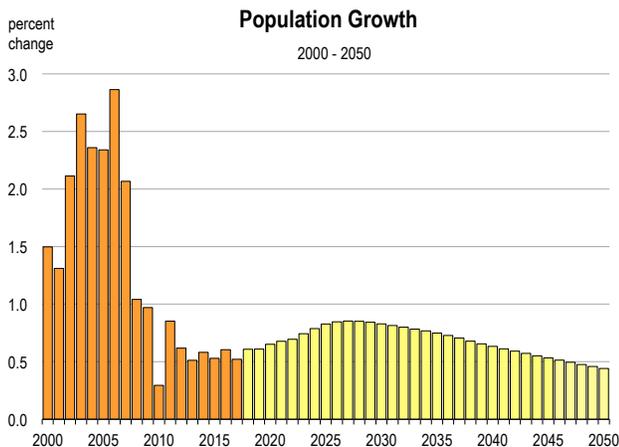


- Average salaries are below the California average, and will remain so over the foreseeable future. In Sutter County, inflation-adjusted salaries are expected to rise by 1.6 percent per year from 2018 to 2023, which will be similar to statewide growth.
- An average of 160 new homes will be built each year between 2018 and 2023. Virtually all of these will be single-family homes, and very few will be apartments.
- Population growth is expected to average 0.7 percent per year from 2018 to 2023. An average of 140 net migrants will enter the county each year, and the natural increase (new births) will add 540 residents to the county each year.

Sutter County Economic Forecast

2010-2017 History, 2018-2050 Forecast

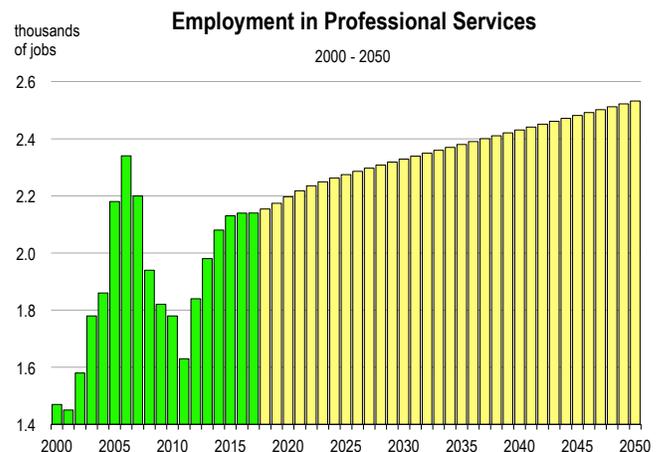
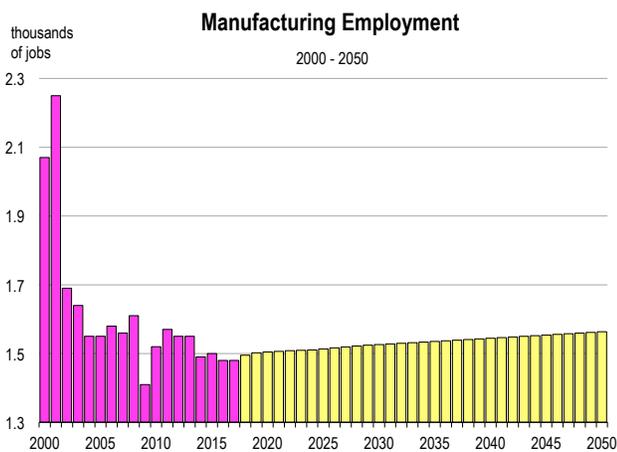
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	94,650	-458	93.9	31.4	86	\$1.21	\$3.33	\$40,702	1.3	603	1320	18.4
2011	95,458	201	92.4	31.5	79	\$1.31	\$3.44	\$40,651	2.7	617	1273	18.2
2012	96,048	-5	91.5	31.4	38	\$1.37	\$3.39	\$38,913	2.7	582	535	16.8
2013	96,540	-3	94.3	31.2	61	\$1.47	\$3.55	\$40,006	2.3	652	535	14.6
2014	97,102	-1	96.7	31.3	84	\$1.52	\$3.69	\$40,556	2.8	776	548	12.6
2015	97,617	-1	99.8	31.3	165	\$1.62	\$3.92	\$42,283	2.6	573	556	10.7
2016	98,208	8	102.6	31.3	50	\$1.63	\$4.02	\$42,144	3.1	530	565	9.8
2017	98,720	13	103.6	31.4	39	\$1.73	\$4.22	\$42,752	3.2	504	592	8.7
2018	99,320	60	105.0	31.7	85	\$1.82	\$4.43	\$43,151	3.7	486	624	8.0
2019	99,926	63	106.3	31.7	94	\$1.91	\$4.65	\$43,974	3.1	472	628	7.5
2020	100,577	106	107.5	31.8	130	\$2.00	\$4.89	\$44,490	4.1	463	645	7.7
2021	101,258	137	108.2	32.0	150	\$2.09	\$5.13	\$44,998	3.6	456	657	8.0
2022	101,962	162	108.9	32.1	192	\$2.19	\$5.38	\$45,671	3.5	452	667	7.9
2023	102,720	216	109.8	32.3	215	\$2.30	\$5.65	\$46,337	3.4	449	684	8.1
2024	103,529	264	110.6	32.5	229	\$2.41	\$5.92	\$47,047	3.3	447	704	8.2
2025	104,386	314	111.5	32.7	218	\$2.53	\$6.19	\$47,651	3.1	446	724	8.4
2026	105,270	341	112.5	33.0	234	\$2.64	\$6.45	\$48,164	3.1	445	740	8.5
2027	106,168	359	113.4	33.2	243	\$2.76	\$6.71	\$48,652	3.0	445	751	8.5
2028	107,072	368	114.2	33.4	256	\$2.88	\$6.98	\$49,074	3.3	445	763	8.5
2029	107,975	369	115.0	33.7	249	\$2.99	\$7.24	\$49,354	3.1	446	779	8.5
2030	108,870	366	115.7	33.9	242	\$3.10	\$7.51	\$49,653	3.0	447	795	8.5
2031	109,756	361	116.5	34.2	235	\$3.22	\$7.78	\$49,983	2.9	448	812	8.5
2032	110,635	355	117.2	34.4	229	\$3.34	\$8.06	\$50,193	3.1	449	829	8.4
2033	111,501	349	118.0	34.6	222	\$3.47	\$8.34	\$50,617	2.7	450	846	8.4
2034	112,357	342	118.7	34.8	216	\$3.61	\$8.65	\$50,978	2.9	451	864	8.3
2035	113,199	335	119.5	35.1	209	\$3.74	\$8.96	\$51,320	3.0	452	882	8.3
2036	114,023	328	120.2	35.3	203	\$3.87	\$9.29	\$51,499	3.4	453	900	8.2
2037	114,828	321	120.8	35.5	196	\$4.01	\$9.64	\$51,658	3.5	454	919	8.2
2038	115,608	313	121.5	35.7	190	\$4.15	\$10.00	\$51,927	3.3	455	938	8.1
2039	116,365	305	122.1	35.8	183	\$4.28	\$10.38	\$52,125	3.5	456	958	8.1
2040	117,103	296	122.7	36.0	177	\$4.42	\$10.77	\$52,371	3.4	458	978	8.1
2041	117,819	288	123.3	36.2	176	\$4.56	\$11.16	\$52,703	3.2	459	999	8.0
2042	118,516	280	123.9	36.4	174	\$4.71	\$11.57	\$53,079	3.1	460	1020	8.0
2043	119,195	271	124.6	36.5	173	\$4.85	\$11.98	\$53,493	3.0	461	1041	7.9
2044	119,852	263	125.2	36.7	172	\$4.99	\$12.41	\$53,999	2.8	462	1063	7.9
2045	120,491	255	125.8	36.9	171	\$5.14	\$12.84	\$54,406	3.0	464	1085	7.8
2046	121,110	248	126.3	37.0	170	\$5.28	\$13.29	\$54,870	2.9	465	1108	7.8
2047	121,710	240	126.9	37.2	169	\$5.43	\$13.75	\$55,329	2.9	466	1131	7.8
2048	122,289	233	127.5	37.4	168	\$5.59	\$14.23	\$55,796	2.9	467	1155	7.7
2049	122,850	226	128.1	37.6	167	\$5.75	\$14.72	\$56,288	2.9	468	1179	7.7
2050	123,392	219	128.6	37.7	166	\$5.91	\$15.24	\$56,802	2.9	470	1205	7.6

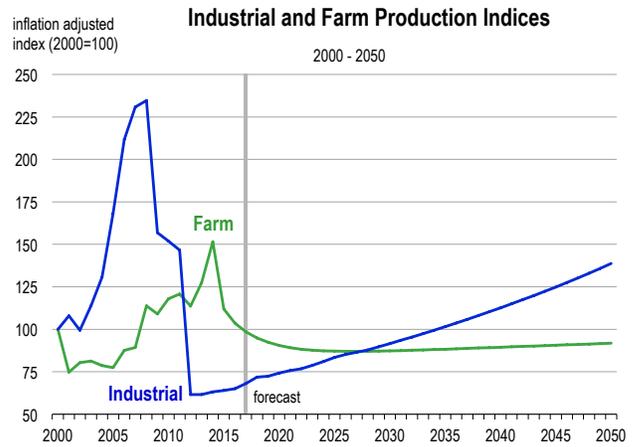
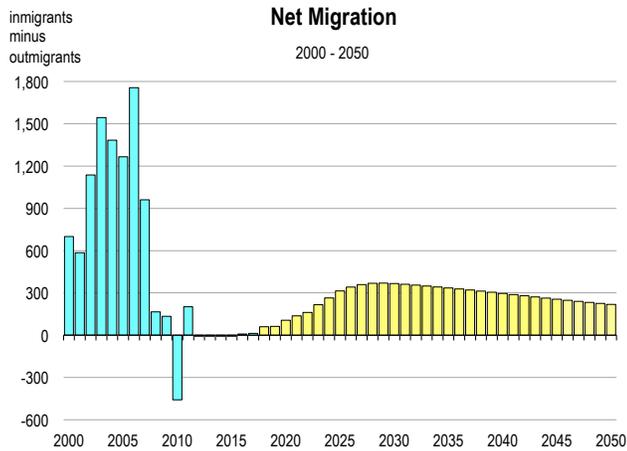
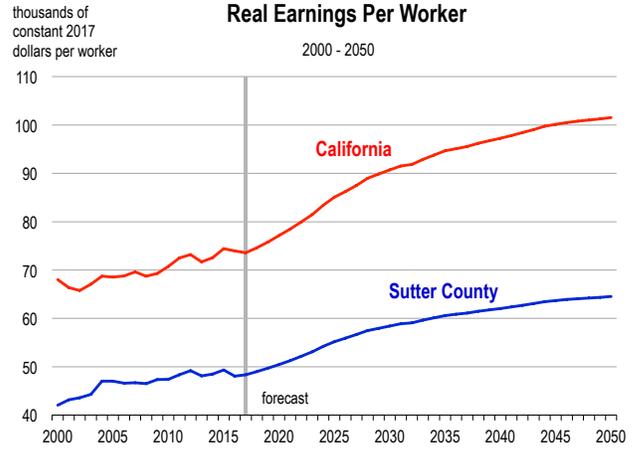
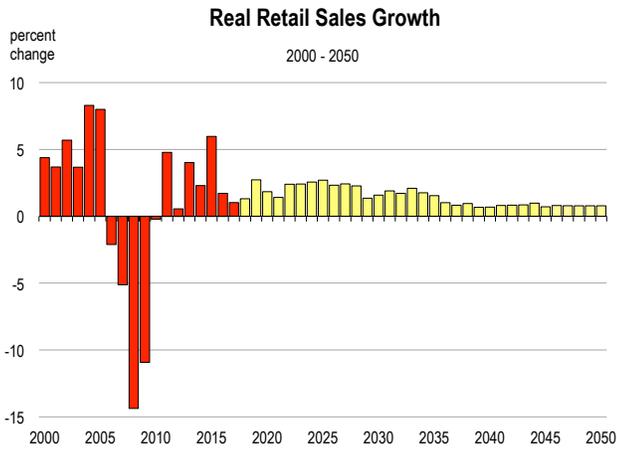


Sutter County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	28.2	3.68	1.04	1.52	0.66	5.10	1.09	1.78	0.20	4.09	2.55	4.74
2011	27.7	3.71	0.93	1.57	0.73	5.21	1.01	1.63	0.20	3.93	2.71	4.48
2012	26.9	3.68	0.80	1.55	0.69	5.32	1.06	1.84	0.20	3.91	2.77	4.38
2013	27.6	3.68	0.94	1.55	0.66	5.23	1.05	1.98	0.20	4.25	2.88	4.41
2014	28.3	3.66	1.03	1.49	0.77	5.29	1.10	2.08	0.20	4.24	2.95	4.63
2015	29.6	4.03	1.29	1.50	0.86	5.45	1.12	2.13	0.20	4.43	2.92	4.77
2016	31.0	4.54	1.49	1.48	0.93	5.80	1.15	2.14	0.20	4.73	2.68	4.93
2017	32.0	4.65	1.56	1.48	0.97	6.07	1.15	2.14	0.20	5.00	2.75	5.07
2018	32.5	4.55	1.65	1.50	1.00	6.21	1.16	2.15	0.20	5.22	2.79	5.10
2019	32.9	4.53	1.67	1.50	1.03	6.31	1.18	2.17	0.20	5.39	2.83	5.13
2020	33.2	4.52	1.69	1.50	1.04	6.36	1.18	2.20	0.20	5.51	2.86	5.16
2021	33.3	4.51	1.67	1.51	1.05	6.38	1.19	2.22	0.20	5.61	2.88	5.19
2022	33.5	4.51	1.66	1.51	1.05	6.41	1.19	2.24	0.20	5.69	2.91	5.23
2023	33.7	4.50	1.65	1.51	1.06	6.46	1.20	2.25	0.20	5.77	2.93	5.26
2024	33.9	4.50	1.65	1.51	1.06	6.50	1.21	2.26	0.20	5.86	2.96	5.30
2025	34.2	4.50	1.65	1.51	1.07	6.54	1.22	2.27	0.20	5.94	2.98	5.34
2026	34.4	4.50	1.66	1.52	1.08	6.60	1.22	2.29	0.20	6.03	3.00	5.38
2027	34.6	4.50	1.66	1.52	1.09	6.66	1.23	2.30	0.20	6.11	3.03	5.42
2028	34.8	4.50	1.64	1.52	1.09	6.73	1.24	2.31	0.20	6.18	3.05	5.46
2029	35.1	4.50	1.63	1.52	1.10	6.77	1.25	2.32	0.20	6.26	3.08	5.50
2030	35.3	4.50	1.62	1.53	1.11	6.82	1.26	2.33	0.20	6.34	3.10	5.54
2031	35.5	4.50	1.61	1.53	1.11	6.87	1.27	2.34	0.20	6.41	3.12	5.58
2032	35.7	4.50	1.60	1.53	1.12	6.92	1.28	2.35	0.20	6.49	3.15	5.62
2033	35.9	4.50	1.60	1.53	1.13	6.97	1.29	2.36	0.20	6.57	3.17	5.65
2034	36.1	4.50	1.59	1.53	1.13	7.02	1.29	2.37	0.20	6.64	3.19	5.69
2035	36.3	4.51	1.59	1.54	1.14	7.06	1.30	2.38	0.20	6.72	3.21	5.72
2036	36.5	4.51	1.59	1.54	1.14	7.10	1.31	2.39	0.20	6.80	3.23	5.76
2037	36.7	4.51	1.58	1.54	1.15	7.12	1.32	2.40	0.20	6.87	3.25	5.79
2038	36.9	4.51	1.58	1.54	1.16	7.15	1.33	2.41	0.20	6.95	3.27	5.83
2039	37.0	4.51	1.57	1.54	1.16	7.18	1.34	2.42	0.20	7.02	3.29	5.86
2040	37.2	4.51	1.57	1.54	1.17	7.20	1.35	2.43	0.20	7.09	3.31	5.89
2041	37.4	4.51	1.57	1.55	1.17	7.22	1.35	2.44	0.20	7.17	3.33	5.92
2042	37.6	4.52	1.57	1.55	1.18	7.25	1.36	2.45	0.20	7.24	3.35	5.94
2043	37.7	4.52	1.57	1.55	1.18	7.27	1.37	2.46	0.20	7.31	3.37	5.97
2044	37.9	4.52	1.57	1.55	1.19	7.30	1.38	2.47	0.20	7.39	3.39	6.00
2045	38.1	4.52	1.57	1.55	1.19	7.33	1.39	2.48	0.20	7.46	3.40	6.02
2046	38.2	4.52	1.57	1.56	1.20	7.35	1.39	2.49	0.20	7.53	3.42	6.05
2047	38.4	4.52	1.57	1.56	1.20	7.37	1.40	2.50	0.20	7.60	3.44	6.07
2048	38.5	4.53	1.57	1.56	1.21	7.40	1.41	2.51	0.20	7.67	3.45	6.09
2049	38.7	4.53	1.57	1.56	1.21	7.42	1.42	2.52	0.20	7.74	3.47	6.12
2050	38.9	4.53	1.57	1.56	1.21	7.45	1.43	2.53	0.20	7.81	3.48	6.14





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	11.3%
Expected job growth:	3.9%
Fastest growing jobs sector:	Health and Education
Expected personal income growth:	11.1%

Expected population growth:	3.4%
Net migration to account for:	20.1%
Expected growth in number of vehicles:	4.5%

Demographics (2018)

Unemployment rate (April 2018):	8.0%
County rank* in California (58 counties):	51st
Working age (16-64) population:	62.1%

Population with B.A. degree or higher:	16.9%
Median home selling price (2017):	\$260,000
Median household income:	\$55,875

Quality of Life

Violent crime rate (2016):	359 per 100,000 persons
County rank* in California (58 counties):	28th
Average commute time to work (2018):	28 minutes

High School drop out rate (2017):	8.2%
Households at/below poverty line (2018):	15.8%

* The county ranked 1st corresponds to the lowest rate in California